

Technical Cooperation Document

I. Basic Information for TC

▪ Country/Region:	TRINIDAD AND TOBAGO
▪ TC Name:	Promoting the Blue Economy for Sustainable Economic Recovery in Tobago
▪ TC Number:	TT-T1103
▪ Team Leader/Members:	Alleng, Gerard P. (CSD/CCS) Team Leader; Stevenson, Claudia (IFD/CTI) Alternate Team Leader; Alleyne, June Julianna Cecilia (IFD/CTI); Almeida Oleas, Natalia (LEG/SGO); Bonzi Teixeira, Augusto Cesar (INE/ENE); Ceva Alvarez, Mariana Daniela (CSD/CCS); Deopersad, Chitrallekha (RSM/SEG); Flores Aguilar, Adrian (CSD/CCS); Gomez, Juan Carlos (CSD/CCS); Hori, Tsuneki (CSD/RND); Lewis, Gilroy Francis (INE/WSA); Louis-Grant, Paula (VPC/FMP); Maharaj, Kavita (CCB/CTT); Ramsumair-John, Priya Elizabeth (CCB/CTT); Saavedra, Jose Jorge (CCB/CCB); Dookiesingh, Vashtie K. J (CCB/CCB); Dookiesingh, Vashtie K.
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	07 Nov 2020.
▪ Beneficiary:	The Republic of Trinidad and Tobago
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Compete Caribbean Partnership Facility(CCP)
▪ IDB Funding Requested:	US\$100,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (including execution):	24 months
▪ Required start date:	June 2021
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	CSD/CCS-Climate Change
▪ Unit of Disbursement Responsibility:	CCB/CTT-Ctry Off Trinidad & Tobago
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Environmental sustainability; Gender equality

II. Objectives and Justification of the TC

- 2.1 Trinidad and Tobago has a hydro-carbon based economy in which the energy sector is still the most relevant contributor to the country's Gross Domestic Product (GDP), but this makes it vulnerable to external shocks related to vagaries in oil and gas prices. The severe decline in oil prices in 2020 as a result of the impact of lockdowns related to the global pandemic, has highlighted the economy's vulnerability. Additionally, the other sectors of the economy, including the services sector, have been directly impacted by the effects COVID-19 pandemic. Whereas the services sector in both Trinidad and Tobago has been negatively impacted, it is in Tobago, where tourism accounts for about 13% of its GDP¹ (behind that of government and financial services),

¹ Tobago House Assembly, 2021. Budget statement for fiscal 2021: Recalibrating our priorities towards a more resilient future.

that this impact has been very acute. This sector has seen the largest decline, followed by manufacturing and the financial sector.

- 2.2 Currently, Tobago has several challenges that tend to limit the development of the services sector and by extension impact livelihoods on the island. Events such as the COVID-19 outbreak have prompted the need to look for economic diversification alternatives to recover lost jobs and boost economic growth. Sanitary measures such as lockdowns, social distancing and travel bans, interrupted labor supply and demand, significantly decreasing supply chains and collapsing the sector. According to a survey deployed by the Inter-American Development Bank (IDB) for Trinidad and Tobago, the roughest economic consequences of the coronavirus pandemic have been the loss of jobs and income.² It is reported that at least 70% of households experienced income loss in the second quarter of 2020, and more than 66% of low-income families were impacted by employment loss during the same time-period. Also, more than 55% of businesses have had to close due to government restrictions or lack of demand since the pandemic.³
- 2.3 The economy of the island also endures challenges related to the environment and climate change. Like many Caribbean coastal zones, Tobago is already being negatively impacted by deforestation, land-based and marine pollution, increased sedimentation and declining coastal water quality, the influx of sargassum and invasive species such as lionfish, among others. The island is also highly vulnerable to natural hazards and climate change-related phenomena such as tropical storms and flooding events.⁴ Although no specific information for Tobago was found, recent studies suggest that Trinidad and Tobago's high emissions scenario could experience increased annual mean temperatures between 2°C and 2.1°C.⁵ It is also very likely that by 2050, the average annual rainfall will have decreased from the current 2000 millimeters and that wet and dry seasons will become drier. Finally, the sea-level is expected to rise from 62 cm to 1.15 m by 2100.⁶
- 2.4 To prompt an economic recovery from the coronavirus crisis, address the inherent socio-economic challenges of a Small Island Developing State (SIDS), and align with local development strategies, Tobago must rethink how to use its natural resources, mainly marine and coastal. The Blue Economy offers excellent opportunities for the country to harness resources sustainably and to leverage its services beyond traditional business models. This approach allows for diversification into new emerging ocean-based activities and sectors and to generate employment and growth while ensuring the sustainable use of ocean resources into the future.⁷ Mainstreaming this approach could include establishing and/or consolidating ocean-based industries in Tobago, such as fisheries and tourism. Several steps have been identified to create a Blue Economy framework, namely: (i) setting clear targets; (ii) creating economic and

² The IDB implemented an online socioeconomic survey over the period of two weeks. More than 4,700 responses were collected for Trinidad and Tobago.

³ Arteaga, M.; Bauermann, D.; Giles, L.; Gauto, V. Khadan, J.; Mooney, H.; Smets, L. (2020). COVID-19: The Caribbean Crisis: Results from an Online Socioeconomic Survey. Inter-American Development Bank.

⁴ Ministry of Planning and Development. (2019). Vision 2030: The National Development Strategy of Trinidad and Tobago 2016-2030.

⁵ CIAT. (2015). Trinidad & Tobago: Assessing the Impact of Climate Change on Cocoa and Tomato. Policy Brief. International Center for Tropical Agriculture.

⁶ Tobago House Assembly. (2012). CEDP 2.0: Redoubling the Effort. Tobago House Assembly.

⁷ WB. (2017). The Potential of the Blue Economy: Increasing Long-term Benefits of the Sustainable Use of Marine Resources for Small Island Developing States and Coastal Least Developed Countries. World Bank, Washington DC.

policy frameworks that provide an enabling environment for the Blue Economy to develop; (iii) effectively governing the use of marine space and resources; and (iv) developing and applying standards, guidelines, and best practices that support a Sustainable Blue Economy.

- 2.5 The island has started taking steps in this direction. The branding of the tourism sector as “*Green, Clean, Safe and Serene*” as part of its Comprehensive Economic Development Plan (CEDP) reflects the awareness of local authorities and the population towards the needed transformation of the economy in a way that responds more adequately to their challenges. The CEDP states that a shift must take place in investment in new sectors or newer activities. There must be diversification of existing sectors to produce goods and services that can compete in the local and international economies, thus providing avenues for sustainable employment, innovation, and income growth that would make Tobago’s economy more sustainable during the foreseeable future. The inclination towards improving the economy and its relationship with natural resources, is echoed in the National Development Strategy (NDS) 2016-2030, Vision 2030, in which a call is made to place the environment at the heart of the country’s development. The strategy states that it is critical to conserve marine and freshwater resources, build resilience to climate change, and encourage economic activities such as eco-tourism.
- 2.6 The objective of the proposed technical cooperation operation (TC) is to mainstream the Blue Economy in the context of economic recovery efforts in Tobago. This initiative is framed in the current IDB Group’s Response to the COVID-19 Pandemic Outbreak. It seeks to generate inputs for informed decision-making in Trinidad and Tobago regarding sustainable recovery alternatives. It intends to create an environment for economic innovation and diversification following the Blue Economy approach. The TC is also aligned with the Government’s Phase 2 Roadmap for Trinidad and Tobago, in which the Blue Economy is considered as a key pillar of economic growth, with activities related to seafood harvesting, coastal and marine tourism, and the maritime industry. It is also directly correlated with the new economic focus for Tobago under the roadmap as an element to capitalize on the use of renewable resources —both blue and green, and the increased participation in circular economy initiatives.
- 2.7 The project will seek to address gender equality by promoting women’s empowerment regarding institutional and technical capacities on the Blue Economy. To do so, the project will guarantee equal opportunities in the project activities, particularly in the investment and innovation ventures. In this regard, the TC will ensure to select at least two project ideas led by women. The TC will also ensure that women leaders and entrepreneurs are invited to the workshops. Finally, the roadmap will include especial considerations to foster women inclusion in the Blue Economy. More gender-responsive actions may be identified during the project’s implementation. The implementation of this TC will also offer opportunities for replication in other countries of the region, increasing the IDB’s catalytic role in implementing best practices to incorporate the Blue Economy as an approach to pursue economic diversification and recovery.
- 2.8 The operation is consistent with the Second Update to the Institutional Strategy (AB-3190-2), and is aligned with the development challenge of *productivity and innovation* as it provides assistance to the development of human capital qualities in the area of training on blue economy investments and innovation. The operation will provide support that is expected to have a positive impact on the productivity of blue economy-related micro, small and medium-sized enterprises (MSME), promote

innovative products, enterprises, value chains and industries, as well as technological development. The operation is also aligned with the cross-cutting themes of: (i) *climate change*, since the blue economy approach promoted by it ensures environmental sustainability of coastal and marine ecosystems and provides means for a resilient and sustainable recovery from the coronavirus pandemic; and (ii) *gender equality and diversity*, as the Blue Economy is an approach that pursues gender equality by integrating the interests of different genders into the sustainable use of ocean resources. It aims at overcoming traditional barriers of economic development and enhancing the capacity of women to earn a livelihood. The operation is aligned with the intervention areas of the Corporate Results Framework 2020-2023 (CRF) (GN-2727-12), namely: (i) conservation and sustainable use of biodiversity and/or ecosystem services (including but not limited to the creation/management of marine and terrestrial protected areas); (ii) pollution reduction; and (iii) support for new or improved environmental legislation and/or governance, including financial mechanisms and incentives targeted at promoting environmental sustainability. This TC is also aligned with the Proposal for the establishment of the Compete Caribbean Partnership Facility (GN-2851), particularly with the two thematic pillars: (i) productivity and innovation in firms; and (ii) enhancing the business and innovation climate. Regarding the former, the TC aims at supporting and scaling-up catalytic projects that could have a significant demonstrative effect on existing or new sectors, at the individual and collective level. Regarding the latter, it aims at creation of networks and sharing of best practices and lessons learned.

- 2.9 The TC is aligned with: (i) the priority areas of the CEDP; (ii) the Roadmap for Trinidad and Tobago Post COVID-19 Pandemic; and (iii) the NDS 2016-2030, Vision 2030. The TC is also consistent with the IDB Group Country Strategy with the Republic of Trinidad and Tobago 2016-2020.

III. Description of Activities/Components and Budget

- 3.1 **Component 1. Elaboration of an Integrated Blue Economy Roadmap for a Sustainable and Resilient Recovery Blue Economy Roadmap for a Sustainable and Resilient Recovery from the COVID-19 Pandemic (US\$40,000).** A roadmap comprising a policy framework and a strategic action plan will be elaborated to guide evidence-based decision-making in the public and private sectors. The roadmap will also serve as a resource to guide investments and interventions that would have the highest post-COVID-19 recovery impact regarding the provision of support for the growth of public, private, and hybrid initiatives. It would also list and describe investment opportunities that will help decision-makers promote economic diversification and development in response to the pandemic's effects in alignment with the Blue Economy Approach. The roadmap will identify best practices, approaches, and capacities required to design and execute Blue Economy ventures for relevant stakeholders. It will also identify opportunities to enhance the inclusion, empowerment, and capacities of diverse groups, especially of women and at-risk youth, in the process of mainstreaming the Blue Economy.
- 3.2 **Outputs:** Development of an investment plan (roadmap) that will support decision-makers and promote economic diversification and growth in response to the effects of the pandemic and according to the Blue Economy Approach. This roadmap will prioritize Blue Economy-related industries hit by the COVID-19 pandemic and those that could represent a source of economic diversification.

- 3.3 **Component 2. Blue Economy Investment and Innovation Promotion (US\$60,000).** This component aims at the promotion of stakeholder engagement, as well as the identification of Blue Economy investments and innovation opportunities. In addition, this component is expected to raise awareness about Blue Economy benefits as a means of recovery from the pandemic and a driver of economic diversification. The component is also expected to ensure broad participation of women and at-risk youth both in the sensitization workshops and the competition. Regarding the latter, the implementation team will ensure at least 50% of the projects selected are led by women.
- 3.4 Outputs: (i) stakeholders' sensitization workshop; (ii) launch of the *Blue Economy Ideas Competition* to identify innovative projects/solutions for sustainable diversification and recovery through the Blue Economy. The contest will support four entrepreneurs developing their blue economy project ideas in areas that foster economic recovery, diversification, and inclusion. The winners will be hired as Products and External Services Consultants (PEC); hence their work should meet all the corresponding requirements. It will be supported by activities being undertaken by the Sustainable Islands Platform (ATN/OC-16237-RG) specifically related to the implementation of a Blue Economy campaign for Tobago.
- 3.5 The estimated total amount of this operation is US\$100,000, which will be financed with resources from the Compete Caribbean Partnership Facility (CCP).

Indicative Budget (US\$)

Activity/Component	IDB Funding	Total
Blue Economy roadmap for a sustainable and resilient recovery	40,000	40,000
Blue Economy Investment and Innovation Promotion	60,000	60,000
Total	100,000	100,000

IV. Executing Agency and Execution Structure

Per the government's request, the TC will be executed by the IDB. All activities to be executed have been included in the Procurement Plan (see Annex IV). The Bank will follow its procurement policies and guidelines related to contracting processes: (i) individual consultants will be hired according to the guidelines established in policy AM-650; (ii) consulting firms of an intellectual nature will be hired according to the "Policy for the selection and contracting of consulting firms for operational work carried out by the Bank" (GN-2765-4) and its Operational Guidelines (OP-1155-4); and (iii) other non-consulting services in accordance with the "IDB Institutional Procurement Policy" (GN-2303-28).

V. Major Issues

- 5.1 Ideally, the development of the roadmap should be a very participatory approach. This could help critical stakeholders improve their understanding of Blue Economy approaches and increase ownership of the roadmap, enhancing the support for its implementation. Developing the roadmap during the pandemic can reduce face-to-face contact and dialogue between the technical experts and local stakeholders. To mitigate this risk, it is crucial to ensure that key stakeholders can engage electronically. Having a structured engagement and communications plan, with multiple opportunities for allowing stakeholders' participation at various levels (grassroots to senior public and private sector stakeholders), should be prioritized.

Finally, the IDB should ensure that consulting teams comprise an optimal balance of local and foreign-based experts with the local experts having the capacity to mobilize and engage stakeholders.

- 5.2 Another risk is related to the sustainability of the Blue Economy funding after the roadmap is developed. To mitigate this risk, the roadmap should focus on maximizing private sector participation in all areas, including protecting Blue Economy assets. Also, the roadmap should be accompanied by a financing strategy. The investment promotion agency should be integral to the institutional and inter-institutional arrangements for coordinating the roadmap's implementation.
- 5.3 Finally, measuring the contribution of Blue Economy-related activities to national and satellite accounts requires collecting long-term data from identified industries. There is uncertainty regarding the availability of the data needed. This project will work closely with the Central Statistical Office of Trinidad and Tobago and develop a monitoring, reporting and verification (MRV) system that would allow efficient data collection and subsequent decision making.

VI. Exceptions to Bank policy

- 6.1 No exceptions to Bank policy were identified for this operation.

VII. Environmental and Social Strategy

- 7.1 Per the Environment and Safeguards Compliance Policy of the IDB (OP-703), the operation has been classified as "Category C" (see the [Safeguards Screening Form](#) and the [Safeguards Policy Filter](#)).

Required Annexes

[Request from the Client - TT-T1103](#)

[Results Matrix - TT-T1103](#)

[Terms of Reference - TT-T1103](#)

[Procurement Plan - TT-T1103](#)